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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/607,677

06/27/2003

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EXAMINER

RETTA, YEHDEGA

ART UNIT

PAPER NUMBER

3622

MAIL DATE

DELIVERY MODE

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/607,677	Applicant(s) NAPIER ET AL.	
	Examiner Yehdega Retta	Art Unit 3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 January 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-34 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-34 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>10/10/03,5/4/04,1/9/06</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

This office action is in response to communication filed October 10, 2003. Claims 1-34 are pending.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-34 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

35 U.S.C. 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter. The latter three categories define “things” or “products” while the first category defines “actions” (i.e., inventions that consist of a series of steps or acts to be performed). See 35 U.S.C. 100(b) (“The term process’ means process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.”). The claims must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as article or materials) to a different state or thing. Since none of these requirements is met by the claims, the method is not a patent eligible process under § 101 and is rejected as being directed to non-statutory subject matter. (See MPEP section 2106).

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 21-22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 21 recites wherein the marketing fee is determined according to a standardized approach according to a merchant classification, i.e. SIC (Standard Industrial Classification). The SIC is codes for identifying goods or services for purpose of categorization and does not provide any standard or rules for determining a marketing fee, therefore, it is unclear how applicant determines the marketing fee according to the standard.

Claim 20 recites the limitation "receiving marketing services is free of direct involvement by a holder of *the EFT terminal account*". There is insufficient antecedent basis for this limitation in the claim.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-20, 25-31 and 33 are rejected under 35 U.S.C. 102(b) as being anticipated by Masi et al. US 6,105,001.

Regarding claims 1, 5-8, Masi teaches registering a card of a cardholder; registering a merchant identification number of a participating merchant; monitoring for use of the registered card at the participating merchant for transacting a purchase of goods or services in a transaction amount; and dispersing a commission fee based upon the transaction amount to a marketer of the

Art Unit: 3622

participating merchant's goods and services; wherein monitoring for use of the card is performed without direct involvement by the participating merchant; wherein dispersing the commission fee is performed without direct involvement by the participating merchant; distributing a portion of the commission fee to the marketer as compensation for causing the registration of the card; distributing a portion of the commission fee to the marketer as compensation for causing the registration of the merchant identification number (col. 2 lines 13-36, col. 3 lines 20-40).

Regarding claims 2-4, Masi teaches determining a marketing fee in proportion to the transaction amount; determining a refund amount from the marketing fee based upon the transaction amount; deducting the refund amount from the marketing fee; and transferring the refund amount to the cardholder determining the commission fee from the marketing fee based upon the transaction amount; deducting the commission fee from the marketing fee; and transferring the commission fee to the marketer (see col. 3 lines 20-40).

Regarding claims 9-12, Masi teaches distributing a portion of the commission fee to a different marketer as compensation for causing the registration of the card; dispersing a usage fee to an account of different marketer for use of the registered card; wherein the marketer is recruited, trained and motivated by a marketing team having at least three levels of members, and dispersing the commission fee further comprises: distributing a portion of the marketing fee to the marketing team (see col. 4 lines 4-67).

Regarding claim 13 Masi teaches wherein the registered card is selected from the group consisting of a branded credit card, a branded debit card, a branded stored-value card, and a proprietary debit card (see col. 1 lines 49-61).

Regarding claim 14, Masi teaches wherein the registered card is used to transact a purchase of goods having a price reduction, dispersing a portion of the price reduction to a marketer as compensation for causing the registration of the card (see col. 3 line 20 to col. 4 line 56).

Regarding claim 15, Masi teaches wherein the registered card is used to transact a purchase of goods having a price reduction, and further comprising: dispersing a portion of the price reduction to the marketer as compensation for causing the registration of the merchant identification number (see col. 3 line 20 to col. 4 line 56).

Regarding claim 16, Masi teaches wherein the registered card is used to transact a purchase of goods having a price reduction; dispersing a portion of the price reduction to the cardholder as a refund for transacting the purchase of goods having the price reduction. (see col. 3 lines 14-40, col. 5 lines 10-23).

Regarding claims 17-20, Masi teaches registering a merchant identification number; accepting a registered card for transacting a purchase of goods or services in a transaction amount; receiving payment of the transaction amount; and paying a marketing fee based upon the transaction amount for a transaction made with the registered card in which the marketing fee is used in compensating a marketer who caused the registration of the merchant identification number; wherein paying the marketing fee is performed without direct involvement by a holder of the merchant identification number or the EFT terminal account; receiving marketing services performed by the marketer in exchange for payment of the marketing fee (see col. 3 line 14 to col. 4 line 14, col. 5 lines 23-67).

Art Unit: 3622

Regarding claim 25 Masi teaches wherein the registered card is selected from the group consisting of a branded credit card, a branded debit card, a branded stored-value card, and a proprietary debit card (see col. 1 lines 49-61).

Regarding claim 26, Masi teaches wherein the marketing fee is further used in compensating a different marketer who caused the registration of the registered card (see col. 4 lines 15-56).

Regarding claim 27, Masi teaches wherein the registered card is used to transact a purchase of goods having a price reduction, and further comprising: paying the price reduction in which a portion of the price reduction is subsequently dispersed to a different marketer as compensation for causing the registration of the card (see col. 3 line 20 to col. 4 line 56).

Regarding claim 28, Masi teaches wherein the registered card is used to transact a purchase of goods having a price reduction, and further comprising: paying the price reduction in which a portion of the price reduction is subsequently dispersed to the marketer as compensation for causing the registration of the merchant identification number (see col. 3 line 20 to col. 4 line 56).

Regarding claim 29, Masi teaches wherein the registered card is used to transact a purchase of goods having a price reduction, and further comprising: paying the price reduction in which a portion of the price reduction is subsequently dispersed to the cardholder as a refund for transacting the purchase of goods having the price reduction (see col. 3 lines 14-40, col. 5 lines 10-23).

Regarding claim 30, Masi teaches registering a plurality of debit cards each carrying a cash value; distributing the plurality of debit cards to a plurality of individuals; monitoring for a

Art Unit: 3622

transaction that reduces the cash value of any one of the plurality of debit cards; and dispersing a usage fee after the transaction to a marketer responsible for the registration of the plurality of debit cards (see col. 3 lines 14-40, col. 4 lines 15-56, col. 5 lines 23-53).

Regarding claims 31 and 33, Masi teaches wherein the marketer receives the usage fee in exchange for causing the card distribution; registering a merchant identification number of a participating merchant; and dispersing a commission fee for transactions made at the participating merchant based upon the reduction in the cash value of the debit card to a different marketer responsible for registering the merchant identification number; (see col. 2 lines 14-36, col. 4 lines 15-56).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 21-24, 32 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Masi further in view of Official Notice.

Regarding claims 21-24, Masi teaches the Masi does not explicitly teach wherein the marketing fee is determined according to a standardized approach according to a merchant classification; wherein the merchant classification is standardized by an SIC coding system (based on type or class of products); wherein the marketing fee is negotiated on a merchant-by-merchant basis; determine if a registered card is used to transact the purchase as the registered

Art Unit: 3622

merchant, and the merchant can negotiate the marketing fee. Official notice is taken that is old and well know in the art of commerce, to pay service fee or commission based upon agreed terms and conditions of purchase previously made between both entities. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention for the merchant to pay the marketer, a marketing fee, based on the agreement, a specified percentage or a flat amount per transaction or amount of the transaction or type of product purchased.

Regarding claims 32 and 34, Masi does not explicitly teach wherein the individuals are employees of a business, and further comprising registering the business to distribute the debit cards to the employees; or wherein the individuals are members of an affinity group, and further comprising registering the affinity group to distribute the debit cards to the members. Official notice is taken that is old and well know in the art of commerce for credit card entities to distribute credit or debit card to business or affinity group, to be used by the employees of the business or members of the affinity group. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention for the credit card companies to provide the credit or debit card of Masi's to business or affinities in order to expand the use of the card and increase profit.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yehdega Retta whose telephone number is (571) 272-6723. The examiner can normally be reached on 8-4:30.

Art Unit: 3622

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

YR

/Yehdega Retta/
Primary Examiner, Art Unit 3622